

FINANCIAL STATEMENTS
OF
CENTERS AGAINST ABUSE AND
SEXUAL ASSAULT
SPENCER, IOWA
AT
JUNE 30, 2007
WITH INDEPENDENT AUDITORS' REPORT THEREON

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CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Martin Sievers	President	2007
Ann Holck	Vice-President	2007
Deb Eastin	Treasurer	2007
Ramona Schuett	Secretary	2007
Mary Prentice	Board Member	Unlimited
Avis Davis	Board Member	Unlimited
Roger E. Anderson	Board Member	Unlimited
Shari O'Bannon	Board Member	Unlimited
Dorothy Olson	Board Member	Unlimited
Kelly Mattis	Board Member	Unlimited
Betty Waller	Board Member	Unlimited

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centers Against Abuse and Sexual Assault
Spencer, Iowa

We have audited the accompanying statement of financial position of the Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2007, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Centers Against Abuse and Sexual Assault at June 30, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 8, 2008 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

August 8, 2008

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

CURRENT ASSETS:

Cash in Bank	\$ 12,293
Certificates of Deposit	28,940
Receivables - Federal Grants	13,869
Receivables - State Grants	24,997
Accrued Interest Receivable	126
Prepaid Expenses	<u>2,136</u>

TOTAL CURRENT ASSETS \$ 82,361

PROPERTY AND EQUIPMENT:

Land	\$ 107,500
Buildings and Improvements	853,573
Equipment and Furniture	<u>115,276</u>

TOTAL \$1,076,349

LESS - Accumulated Depreciation (352,357)

NET PROPERTY AND EQUIPMENT 723,992

TOTAL ASSETS \$ 806,353

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 13,854
Accrued Payroll Taxes and Benefits Payable	3,661
Accrued Salaries Payable	1,512
Accrued Compensated Absences Payable	20,515
Accrued Interest Payable	23
Note Payable - Operating	<u>10,092</u>

TOTAL CURRENT LIABILITIES \$ 49,657

NET ASSETS:

Unrestricted	\$ 746,315
Temporarily Restricted by Donors	<u>10,381</u>

TOTAL NET ASSETS 756,696

TOTAL LIABILITIES AND NET ASSETS \$ 806,353

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

UNRESTRICTED NET ASSETS:

SUPPORT AND REVENUES:

SUPPORT:

Grants:

Federal

\$ 239,282

State

197,201

Contributions:

Local Governments

42,505

Other

87,612

Value of Contributed Services
and Materials45,374

TOTAL SUPPORT

\$ 611,974

REVENUES:

Sales

\$ 80,103

Interest

1,331

Miscellaneous

1,262

TOTAL REVENUES

82,696

NET ASSETS RELEASED FROM DONOR

RESTRICTIONS

25,382

TOTAL SUPPORT AND REVENUES

\$ 720,052

EXPENSES:

PROGRAM SERVICES:

Shelter Expenses

\$ 775,935

SUPPORT SERVICES:

General and Administration

44,949

TOTAL EXPENSES

820,884

CHANGE IN UNRESTRICTED NET ASSETS

\$ (100,832)

TEMPORARILY RESTRICTED NET ASSETS:

Contributions

\$ 10,463

Net Assets Released from Donor

Restrictions

(25,382)CHANGE IN TEMPORARILY
RESTRICTED NET ASSETS(14,919)

TOTAL CHANGE IN NET ASSETS

\$ (115,751)

NET ASSETS AT BEGINNING OF PERIOD

872,447

NET ASSETS AT END OF PERIOD

\$ 756,696

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>PROGRAM EXPENSES</u>	<u>GENERAL AND ADMINI- STRATIVE</u>	<u>TOTAL</u>
Salaries	\$433,946	\$ 18,874	\$452,820
Payroll Taxes	33,913	1,475	35,388
Fringe Benefits	<u>70,730</u>	<u>3,076</u>	<u>73,806</u>
Total Personnel Expenses	\$538,589	\$ 23,425	\$562,014
Contributed Services and Materials	45,374	0	45,374
Dues and Subscriptions	2,792	0	2,792
Fundraising Expenses	13,366	0	13,366
Insurance	20,238	0	20,238
Interest	2,502	0	2,502
Miscellaneous	9,713	0	9,713
Supplies	22,534	2,785	25,319
Postage	1,763	588	2,351
Printing and Advertisements	1,374	170	1,544
Professional Fees	0	9,183	9,183
Rent	5,870	0	5,870
Equipment Rent	715	0	715
Repairs	10,621	0	10,621
Shelter Expenses	1,809	0	1,809
Staff Training	810	0	810
Telephone	12,480	1,542	14,022
Travel	21,766	7,256	29,022
Utilities	<u>24,352</u>	<u>0</u>	<u>24,352</u>
TOTAL EXPENSES BEFORE DEPRECIATION	\$736,668	\$ 44,949	\$781,617
Depreciation	<u>39,267</u>	<u>0</u>	<u>39,267</u>
TOTAL EXPENSES	<u>\$775,935</u>	<u>\$ 44,949</u>	<u>\$820,884</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received From Federal Grants	\$ 275,669
Cash Received From State Grants	199,016
Cash Received From Local Governments	42,505
Cash Received From Sales	80,103
Interest Received	1,318
Other Receipts	1,262
Donations Received	97,974
Cash Paid to Employees and Suppliers	<u>(825,042)</u>

NET CASH USED BY OPERATING
ACTIVITIES

\$ (127,195)

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES:

Principal Repayments	\$ (37,510)
Proceeds From Loans	<u>27,602</u>

NET CASH USED BY CAPITAL AND
RELATED FINANCING ACTIVITIES

(9,908)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Capital Assets	\$ (8,850)
Increase in Certificates of Deposit	<u>(905)</u>

NET CASH USED BY INVESTING ACTIVITIES

(9,755)

NET DECREASE IN CASH AND CASH EQUIVALENTS

\$ (146,858)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

159,151

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 12,293

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

RECONCILIATION OF CHANGE IN NET ASSETS

TO NET CASH BY OPERATING ACTIVITIES:

Change in Net Assets	\$ (115,751)
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Adjustments to Reconcile Operating	
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Loss to Net Cash Used by	
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Operating Activities:	
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Depreciation	39,267
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Changes in Assets and Liabilities:	
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Decrease in Accounts Receivable	38,202
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(Increase) in Accrued Interest	
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Receivable	(13)
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(Increase) in Prepaid Expenses	(418)
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(Decrease) in Accounts Payable	(91,386)
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Increase in Salaries and Benefits	
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Payable	1,519
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Increase in Compensated Absences	
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Payable	3,141
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(Decrease) in Accrued Interest	
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Payable	<u>(1,756)</u>
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NET CASH USED BY OPERATING ACTIVITIES	
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	<u>\$ (127,195)</u>
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NON-CASH ACTIVITIES:

During the fiscal year June 30, 2007, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four-county area through assistance of federal, state, and local funds. The Center agreed to merge its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA was the Executive Director of the new organization for eight counties. A new board was formed from the two prior boards to govern the organization. The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services.

Financial Statement Presentation

The accompanying financial statements have been presented and prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, if measurable.

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Center does not use fund accounting.

Contributions

The Center has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2007.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciated costs, estimated lives, and depreciation expense as of and for the year ended June 30, 2007 is as follows:

CLASSES OF ASSETS	DEPRECIATED COSTS	ESTI- MATED LIVES	DEPRECIATION EXPENSE
Land	\$ 107,500	-	\$ 0
Buildings and Improvements	597,840	10-40	31,615
Equipment and Furniture	<u>18,652</u>	5-7	<u>7,652</u>
	<u>\$ 723,992</u>		<u>\$ 39,267</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Centers Against Abuse and Sexual Assault is a nonprofit organization that is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Contributed Services

A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Donated Services and an offsetting expense, In-Kind Expenditure - Volunteers. Donated services are required to meet match requirements of certain grants. For the year ended June 30, 2007 CAASA recognized \$45,374 as the value of volunteer services.

Compensated Absences

Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2007.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Center is heavily reliant on federal, state and local funding.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

The Center rents space for the Storm Lake office under an operating lease. The lease is on a month to month basis. The Center also rents a garage in Cherokee under an operating lease. This is a monthly lease with an automatic renewal option. The operating lease expense was \$5,870 for the year ended June 30, 2007.

NOTE 3 - GOVERNMENT ASSISTANCE

During the year ended June 30, 2007, the Center received the following federal and state government support:

Federal:	
Victims of Crime Assistance (VOCA)	\$160,000
Violence Against Women Act (VAWA)	29,282
Family Violence Prevention	<u>50,000</u>
	<u>\$239,282</u>
State:	
Domestic Abuse	\$109,113
Sexual Assault	48,115
Emergency Shelter Grant Program (ESGP) and Homeless Shelter Operations Grants Program (HSOGP)	31,000
Rape Prevention Education (RPE)	<u>8,973</u>
	<u>\$197,201</u>

NOTE 4 - RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA) retirement plan for all eligible employees. The Company matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$7,482 for the fiscal year ended June 30, 2007.

NOTE 5 - RISK MANAGEMENT

The Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6 - NOTE PAYABLE

The Center has a line of credit of \$30,000 at Northwest Federal Savings Bank. They renewed it on June 2, 2007 and it matures on June 1, 2008. The interest rate is 9.25%, and the unpaid balance at June 30, 2007 is \$10,092.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Donor Restricted	\$ 2,225
Restricted For Use In Designated County	<u>8,156</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 10,381</u>

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

PURPOSE RESTRICTION ACCOMPLISHED:	
Emmett County	\$ 18,846
Clay County	<u>6,536</u>
TOTAL RESTRICTIONS RELEASED	<u>\$ 25,382</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

As part of the merger between CAASA and CADA, the fiscal monitor for CADA became the fiscal monitor of the new organization. In performing her duties, she noted two unauthorized personal disbursements by the Executive Director. They totaled approximately \$1,400 and they were repaid through payroll deductions during the year.

NOTE 9 - SUBSEQUENT EVENTS

In the fall of 2007, the Executive Director resigned her position. The assistant director agreed to assume the position of Executive Director.

The new Executive Director examined three years of Wal-Mart charges by the former Executive Director for unauthorized personal charges. The Center identified additional charges of approximately \$2,850. Arrangements have been made for the former director to repay the full amount. The former director is paying approximately \$250 per month. No charges have been filed. As of August 8, 2008, the remaining balance owed to the Center was \$1,302.

In May of 2008, the Center sold the shelter in Emmetsburg.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors of
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2007, and have issued our report thereon dated August 8, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Centers Against Abuse and Sexual Assault's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Centers Against Abuse and Sexual Assault's financial statements that is more than inconsequential will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be a significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items A, B, C, D and E are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse and Sexual Assault's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we expressed our conclusions on the Center's responses, we did not audit Center's Against Abuse and Sexual Assault's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Centers Against Abuse and Sexual Assault and other parties to whom the Center may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

August 8, 2008

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- A. Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. We noted one individual performs all record-keeping and reconciling functions for the Center, including those related to its federal program.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, the Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - We agree that it is difficult to segregate duties with a limited number of office employees. We have reviewed and revised our financial policies to include more clear checks and balances regarding grant claims and accounts payable. For example, in fiscal year 2007 and part of fiscal year 2008, we have had an internal bookkeeper. Beginning, February 1, 2008, our bookkeeping was outsourced to an independent accounting firm.

Conclusion - Response accepted.

- B. Grant Funds - A grant contract with CADA was examined. No reimbursement requests or grant reports were filed and no funds were received for this grant. However, the Center had expenditures and provided services.

Recommendation - Monitor grant revenues/expenditures closely and submit all grant forms to ensure all funds are received.

Response - After the merger on July 1, 2006, all grants were submitted under the name CAASA. The current Executive Director has no knowledge of the previous grant. A prevention grant was written in fiscal year ended June 30, 2008 to Prevent Child Abuse Iowa and monies were all expended at that time.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2007

- C. Checks and Deposits Recorded - Some checks and deposits were recorded twice and/or not recorded at all in accounting records.

Recommendation - Prepare a bank reconciliation for all accounts each month and verify outstanding items are correct.

Response - A bank reconciliation for all accounts will be done by our external bookkeeper.

Conclusion - Response accepted.

- D. Expenditures - Not all expenditures from restricted bank accounts were approved by the board.

Recommendation - All restricted bank account expenditures must have board approval.

Response - It is CAASA's financial policy that the board will approve all expenditures from restricted bank accounts. This policy will be adhered to in the future.

Conclusion - Response accepted.

- E. Regular Board Meetings - Regular monthly board meetings were not held.

Recommendation - The Board should meet and record minutes on a regular monthly basis.

Response - The Board will hold monthly meetings.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.

January 3, 2008

To the Board of Directors
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault for the fiscal year ended June 30, 2007 and have issued our report thereon dated August 8, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 10, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts, may exist and not be detected by us.

As part of our audit, we considered the internal control of Centers Against Abuse and Sexual Assault. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Centers Against Abuse and Sexual Assault are described in Note 1 to the financial statements. No new accounting policies were adopted during the fiscal year ended June 30, 2007. We noted no transactions entered into by Centers Against Abuse and Sexual Assault during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. No unusual or controversial estimates were encountered.

Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Center's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed several audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Center's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To the best of our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Centers Against Abuse and Sexual Assault's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Difficulties Encountered in Performing the Audit

Other than the audit adjustments noted above, we encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board of Directors and management of Centers Against Abuse and Sexual Assault and is not intended to be and should not be used by anyone other than these specified users.

BURKHARDT & DAWSON, CPA's

Certified Public Accountants

